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No. 06-1589

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IN THE

Supreme Court of the United States

LANARD TOYS, INC. AND LANARD TOYS, LTD.,

Petitioners,

v.

GENERAL MOTORS CORP. AND AM GENERAL, LLC,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF IN OPPOSITION FOR RESPONDENT GENERAL MOTORS CORPORATION

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STATEMENT PURSUANT TO 29.6

Respondent, General Motors Corporation, has no parent corporation and no publicly held company owns 10% or more of its stock.

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278 F.3d 1268 (Fed. Cir. 2002) 2, 4, 5

Respondent General Motors Corporation respectfully requests that this Court deny the petition for writ of certiorari, seeking review of the Sixth Circuit's opinion in this case. That opinion is reported at 468 F.3d 405.

STATEMENT

Petitioners request for review by this Court is premised on an alleged split among the Circuits. As set forth below, there is no split among the Circuits.

In *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 33 (2001), the Court cited *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159 (1995) and *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844 (1982) for the "traditional rule" for evaluating trade dress functionality: "a feature is also functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device." *TrafFix*, 532 U.S. at 33 (also referred to as the *Inwood* formulation). The Court also observed that "[w]here the design is functional under the *Inwood* formulation there is no need to proceed further to consider if there is a competitive necessity for the feature." *Id.*

In *TrafFix*, the springs relied on as trade dress were held to be functional under the traditional, *Inwood* formulation. The springs were essential to the use or purpose of the device as they were "the reason the device works," and had even been the subject of patent protection. *TrafFix*, 532 U.S. at 31, 34. In that situation, the Court stated: "there is no need, furthermore, to engage as did the Court of Appeals, in speculation about other design possibilities, such as using three or four springs which might serve the same purpose." *Id.* at 33.

The Fifth Circuit and Federal Circuit Courts of Appeal decisions, said by Petitioners to be in conflict, both apply the traditional rule as formulated in *Inwood* and quoted above from *TrafFix*. *Eppendorf-Netheler-Hinz GmbH v. Ritter GmbH*, 289 F.3d 351, 356-57 (5th Cir. 2002); *Valu Engineering, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1275-76 (Fed. Cir. 2002).

The Sixth Circuit decision is in accord with *TrafFix* and the Fifth and Federal Circuits, that "[i]f a trade dress is found to be functional, the mere fact that there are other non-infringing designs which would serve the same functional purpose is no defense to functionality." Petitioners' App. A, 12a, citation omitted.

There is no conflict among the Circuits.

REASONS FOR DENYING THE PETITION

1. The Circuits Are Not Split On The Functionality Test Of *TrafFix* Or Its Application

Petitioners say that there is a split between the Fifth and Federal Circuits over the functionality test of *TrafFix*. Petitioners say that the "Sixth Circuit joined the Federal Circuit in misconstruing" *TrafFix*. (Petition p. 1.) Petitioners further say that "the lower courts are sharply divided over the question of whether the availability of design alternatives is relevant to assessing a design feature's functionality." (Petition p. 13.)

The Fifth, Sixth and Federal Circuits all repeat and apply the functionality test of *TrafFix*. The Fifth, Sixth and Federal Circuits are in accord, there is no division as argued by Petitioners.

A. Fifth Circuit: *Eppendorf-Netheler-Hinz GmbH v. Ritter GmbH*

The Fifth Circuit stated: "In light of *TrafFix*, the primary test for determining whether a product feature is functional is whether the feature is essential to the use or purpose of the product or whether it affects the cost or quality of the product." *Eppendorf*, 289 F.3d at 356. The Fifth Circuit also quoted from *TrafFix* that, "there is no need, furthermore, to engage as did the Court of Appeals, in speculation about other design possibilities, such as using three or four springs which might serve the same purpose." *Id.* at 357.

Petitioners argue that the Fifth Circuit properly applied *TrafFix*:

> "under this traditional definition," it reasoned, "if a product feature is 'the reason the device works,' then the feature is functional. *The availability of alternative designs is irrelevant." Ibid.* (emphasis added). Because Eppendorf's expert conceded that "fins of some shape, size, or number are necessary to provide support for the flange and to prevent deformation of the product," the Fifth Circuit held that they are "essential to the operation of the Combitips," and therefore "functional as a matter of law." *Id.* at 358.

Petition, p. 19.

The Fifth Circuit found the alleged trade dress functional under the traditional *Inwood* test.

B. Federal Circuit: *Valu Engineering, Inc. v. Rexnord Corp.*

In *Valu Engineering*, the Federal Circuit also applied the functionality test of *TrafFix*.

> The Court then reaffirmed the "traditional rule" of Inwood that "a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." The Court further held that once a product feature is found to be functional under this "traditional rule," "there is no need to proceed further to consider if there is competitive necessity for the feature," and consequently "there is no need . . .to engage . . . in speculation about other design possibilities. . . . Other designs need not be attempted."

Valu Engineering, 278 F.3d at 1276.

Valu Engineering[1] is in complete accord with *TrafFix* and the Fifth Circuit.

Petitioners nonetheless argue that *Valu Engineering* engaged in an analysis under the *Inwood* formulation using alternative designs, in violation of *TrafFix*. (Petition, p. 1.) The analysis and holding of *Valu Engineering* had nothing to do with alternative designs. As stated by the Federal Circuit: "the central question here is whether the Board improperly focused on a single application" of the alleged

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1. *Valu Engineering* notes that neither party disputed the law of functionality from *TrafFix*. 278 F.3d at 1276.

trade dress, as opposed to the use of the trade dress in general, in its functionality analysis. *Valu Engineering*, 278 F.3d at 1276-77. The Federal Circuit held that the Board did not err and affirmed the finding of functionality. *Id.* at 1279.

To find a conflict with the Fifth Circuit, Petitioners rely on Federal Circuit *dicta* regarding whether alternative designs can be considered in the evaluation of the traditional *Inwood* formulation. The Federal Circuit did not evaluate evidence of alternative designs in rendering its decision. A discussion in *dicta* by a single Circuit does not create a split between Circuits. The Federal Circuit's analysis followed the Supreme Court:

> [O]nce a product feature is found functional based on other considerations there is no need to consider the availability of alternative designs, because the feature cannot be given trade dress protection merely because there are alternative designs available.

Valu Engineering, 278 F.3d at 1276.

C. Sixth Circuit

As the Petitioners requested in the present case, the Sixth Circuit followed *Antioch Co. v. Western Trimming Corp.*, 347 F.3d 150, 155 (6th Cir. 2003), an earlier Sixth Circuit case applying *TrafFix*. The Sixth Circuit's statement of the *TrafFix* test, and its analysis, were in full accord with *TrafFix* and the Fifth and Federal Circuits:

> If a trade dress is found to be functional, the mere fact that there are other non-infringing designs which would serve the same functional purpose

> is no defense to functionality. *Antioch Co. v. Western Trimming Corp.*, 347 F.3d 150, 155 (6th Cir. 2003).
>
> * * *
>
> Gula's first statement [regarding alternative designs] is insufficient evidence for non-functionality as the mere existence of other potential designs is no defense to a design's functionality. *Antioch*, 347 U.S. at 155.

(Petitioners' App. A, 12a-13a.)

Petitioners object to *the result* reached by the Sixth Circuit, not the law applied. In other cases discussed, the alleged trade dress was determined to be "the reason the device works." Here, the Sixth Circuit held to the contrary: "We fail to see what function these [trade dress] elements perform." (Petitioners' App. A, 13a.)[2] The Sixth Circuit did not base its decision on the "availability of alternatives" as asserted by Petitioners. (Petition, p. 12.) Instead, the Sixth Circuit expressly held such evidence: "is insufficient evidence for non-functionality as the mere existence of other potential designs is no defense to a design's functionality." (Petitioners' App. A, 13a.)

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2. This was a conventional summary judgment case. General Motors presented evidence of non-functionality, and Petitioners provided no relevant evidence. As held by the Sixth Circuit, the evidence relied on by Petitioners: "does not contribute to what makes up the Hummer/Humvee trade dress." (Petitioners' App. A., 14a.) In fact, Petitioners never even identified an alleged "function these elements perform." Petitioners' App. A, 13a. In context, the panel's reference to the asserted trade dress on this record as "inherently non-functional" is reasonable, not "novel and nonsensical" as Petitioners now characterize it.

CONCLUSION

For the reasons set forth above, certiorari should be denied. There is no conflict among the Circuits, or between the Sixth Circuit and *TrafFix*.

Respectfully submitted,

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